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REMARKS

In accordance with the foregoing, claims 1, 2 and 5-13 have been amended. No new matter has been presented, and accordingly, approval and entry of the amended claims are respectfully requested. Claims 1-13 are pending and under consideration.

STATUS OF CLAIMS

All of the pending claims 1-13 are rejected.

ITEM 2: REJECTION OF CLAIMS 1-7 UNDER 37 U.S.C. 101 AS DIRECTED TO NON-STATUTORY SUBJECT MATTER

This rejection most specifically applies to independent claim 1 and in light of which the dependent claims 2, 3, and 7 are correspondingly rejected.

Claim 1 as amended is clarified to recite that the matching key is supplied to the first user "In response to finding that the first user satisfies conditions required for conducting the prospective transaction". This feature allows the parties of a business transaction to check the credibility of each other, when entering into the business transaction. Thus, claim 1 as amended defines the invention with connection to the technological arts.

Accordingly, it is submitted that claim 1 satisfies 35 U.S.C. 101 as presenting statutory subject matter and accordingly that the rejection of claims 1-7 in Item 2 should be withdrawn.

REJECTION OF CLAIMS 1-2 AND 5-8 FOR ANTICIPATION UNDER 35 U.S.C. 102(b) BY MITAL (USP 5,903,652);**ITEM 4: REJECTION OF CLAIMS 3-4 FOR OBVIOUSNESS UNDER 35 U.S.C. 103(a) BY MITAL; AND****ITEM 5: REJECTION OF CLAIMS 9-13 FOR OBVIOUSNESS UNDER 35 U.S.C. 103(a) OVER MITAL IN VIEW OF LEE ET AL. (USP 4,912,762).**

The rejections are respectfully traversed.

The present invention provides a proper user authentication system that allows the parties to a business transaction to check the credibility of each other when entering into the business transaction. To this end, the authentication system transmits a matching key to a first user if the first user satisfies conditions required for conducting the prospective transaction. This matching key is passed over to the second user, and the second user transmits the matching key to the authentication system to see if this matching key is the same as the matching key

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supplied by the authentication system.

More particularly, in accordance with the invention, a user A and a user B each register with the authentication service provider and both receive respective personal IDs and passwords. The user A wishes to sell merchandise to the user B, for example. The user A logs onto the system by using his/her personal ID and password, and enters data indicative of a desired transaction into the system, followed by receiving a transaction key and a personal key A. Here, the system issues the personal key A to the user A only after checking the credibility of the user A with respect to the specified transaction (for example, checking if his/her merchandise is genuine).

The user B logs on to the system by using his/her personal ID and password, and enters the transaction key to receive a personal key B. The personal key B is issued only after the credibility of the user B with respect to the specified transaction is checked (for example, checking if he/she is financially capable of purchasing the merchandise). The user A and user B then exchange their personal keys.

The user B enters the personal key A into the system to receive the confirmation by the authentication system indicating that the personal key A is authentic and issued to a credible user (user A) with respect to the specified transaction. The user B now knows that he/she can trust the user A as a seller of the merchandise. By the same token, the user A can check the credibility of the user B by entering the personal key B into the system.

Mital teaches the encrypting and decrypting of documents by use of a public key and a private key and the technology of electronic signature. Mital fails to teach the claimed feature that the matching key is supplied to the first user in response to finding that the first user satisfies conditions required for conducting the prospective transaction.

Lee is directed to the system which encrypts a message when transmitting the message from a given node to another node. Lee does not teach the claimed feature that the matching key is supplied to the first user in response to finding that the first user satisfies conditions required for conducting the prospective transaction.

Accordingly, neither Mital nor Lee, taken alone or in combination, teaches or suggests the invention of the independent claims 1 and 8-13 as amended as amended.

Dependent claims 2-7 provide yet further patentably distinguishing features and, in addition to being allowable because of inheriting the limitations of claim 1, are further allowable in light of their own recitations.

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CONCLUSION

In accordance with the foregoing, it is submitted that the pending claims patentably distinguish over the references of record and define patentable subject matter under 37 U.S.C. 101 and, there being no further outstanding objections or rejections, it is submitted that the application is in condition for allowance. An early action to that effect is courteously solicited.

Finally, if there are any formal matters remaining after this response, the Examiner is requested to telephone the undersigned to attend to these matters.

If there are any additional fees associated with filing of this Amendment, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

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